

**ASSEMBLY BILL**

**No. 1004**

---

**Introduced by Assembly Member Hagman**

February 18, 2011

---

An act to amend Section 105 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1004, as introduced, Hagman. Insurance.

Existing law defines surety insurance to include, among other things, guaranteeing of behavior of persons and the guaranteeing of performance of contracts other than insurance policies and other than for payments secured by a mortgage, deed of trust, or other instrument constituting a lien or charge on real estate.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 105 of the Insurance Code is amended  
2     to read:  
3     105. Surety insurance includes:  
4     (a) The guaranteeing of behavior of persons and the guaranteeing  
5     of performance of contracts—~~(including, including~~executing or  
6     guaranteeing bonds and undertakings required or permitted in all  
7     actions or proceedings or by law—~~allowed~~), *allowed*, other than  
8     insurance policies and other than for payments secured by a

1 mortgage, deed of trust, or other instrument constituting a lien or  
2 charge on real estate.

3 (b) Insurance against loss resulting from the forgery or alteration  
4 of any instrument of any kind or character or of any signature  
5 thereon. Nothing in this section shall be deemed to limit any of  
6 the powers of title insurers.

7 (c) Any of the following insurance when included as a part of  
8 contract containing any ~~such~~ guarantee of behavior or performance  
9 or in a contract indemnifying any bank, banker, broker, financial,  
10 or moneyed corporation or association, any state, political  
11 subdivision, public, or municipal corporation, or any officer of  
12 any state, political subdivision, public, or municipal corporation:  
13 Insurance indemnifying the insured named therein against loss or  
14 destruction from any cause of any evidences of debt of any kind  
15 or character, evidences of ownership of any kind or character,  
16 deeds, mortgages, warehouse receipts, bills of lading, certificates  
17 of stock, bonds, notes, drafts, checks, instruments of similar  
18 character, stamps, documents, money, precious metals of any kind  
19 or character, refined or unrefined, and articles made therefrom,  
20 jewelry, watches, necklaces, bracelets, gems, and precious and  
21 semiprecious stones, and also against loss or damage, except by  
22 fire, to the insured's premises, furnishings, fixtures, equipment,  
23 safes, and vaults therein caused by burglary, robbery, holdup, theft,  
24 or larceny or *an* attempt thereat. ~~No such insurance~~ *Insurance*  
25 indemnifying against loss of any property as specified herein shall  
26 *not* indemnify against loss of any ~~such~~ property occurring while  
27 in the mail or in the exclusive custody or possession of a common  
28 carrier for the purpose of transportation, except for the purpose of  
29 transportation by an armored motor vehicle.

30 (d) ~~No insurance~~ *Insurance* may *not* be written as surety  
31 insurance if it falls within the definition of financial guaranty  
32 insurance as set forth in Section 12100.